Government House Foundation

Financial Statements

March 31, 2017

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Government House Foundation, which comprise the statement of financial position as at March 31, 2017, and the statement of operations and accumulated surplus and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Government House Foundation as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
June 27, 2017

Judy Ferguson, FCPA, FCA
Provincial Auditor

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GOVERNMENT HOUSE FOUNDATION
Statement of Financial Position
As at March 31, 2017
(in dollars)

	2017	2016
Financial Assets		
Due from General Revenue Fund (*note 3*)	43,123	71,931
Restricted cash *(note 6)*	50,000	-
Accounts receivable	-	750
Interest receivable *(note 3)*	136	107
Total Financial Assets	93,259	72,788
Liabilities		
Accounts payable	20,423	-
Deferred contributions *(note 6)*	50,000	-
Total Liabilities	70,423	-
Net Financial Assets	22,836	72,788
Accumulated Surplus	22,836	72,788

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017
(in dollars)

	Annual Budget (*note 4*)	2017	2016
Revenue			
Donations	75,000	-	-
Interest	900	540	436
Total Revenue	75,900	540	436
Expense			
Other Miscellaneous Material	10,000	1,396	697
Meetings	5,000	234	253
Consulting Services	-	40,845	-
Printing and courier	1,350	517	457
Total Operating Expense	16,350	42,992	1,407
Youth Mentorship Program	-	-	2,514
Historical Vignettes	7,500	7,500	-
Total Expenses	23,850	50,492	3,921
Annual (Deficit)	52,050	(49,952)	(3,485)
Accumulated Surplus, Beginning of year	72,788	72,788	76,273
Accumulated Surplus, End of Year	124,838	22,836	72,788

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Cash Flows
For the year ended March 31, 2017
(in dollars)

	2017	2016
Operating Activities		
Annual (Deficit)	(49,952)	(3,485)
Decrease in receivables	721	43
Increase in accounts payable	20,423	-
Increase in deferred contributions	50,000	-
Cash Provided by (Used In) Operating Activities	21,192	(3,442)
Increase (Decrease) in Cash	21,192	(3.442)
Cash, beginning of year	71,931	75,373
Cash, End of Year	93,123	71,931
Cash consists of:		
Due from General Revenue Fund	43,123	71,931
Restricted Cash	50,000	-

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2017
(in dollars)

1. Authority

The Government House Foundation (Foundation) was established on January 21, 2002 by *The Government House Foundation Regulations* and falls under the authority of *The Historic Properties Foundations Act*. Government House was designated as a Provincial Heritage Property on August 26, 1981.

The mandate of the Foundation is:

a) To preserve and enhance the Government House; and

b) To promote public awareness of:

- the character, setting and decor of the Government House;
- the historic and cultural values of the Government House;
- the significant events in the governance of Saskatchewan; and
- the history of Saskatchewan generally.

Funding for the Foundation is obtained primarily through gifts, grants, bequests, donations and interest revenue.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Canadian Public Sector Accounting Board. A statement of change in net financial assets has not been prepared as the information is readily determinable from the other statements. These statements do not present a statement of re-measurement gains and losses because all financial instruments are measured at amortized cost. The following accounting policies are considered significant:

a) Revenue

Grants

Government grants are recognized as revenue when the transfer is authorized, eligibility criteria have been met and transfer stipulations have been fulfilled.

Donations

Donations are recorded as revenue in the fiscal period in which they are received by the Foundation. Donations-in-kind are recorded at fair market value on the date of their donation.

Restricted contributions

Externally restricted contributions are deferred and recognized as revenue in the year expenses are incurred for the specified purpose.

Interest revenue

Interest revenue is recorded when earned.

b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. The estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known. Actual results could differ from those estimates.

c) Fair Value

The Foundation's financial instruments include due from the General Revenue Fund, accounts receivable, interest receivable and accounts payable and accrued liabilities. All financial instruments are carried at amortized cost which approximates fair value due to their immediate or short-term maturity. These instruments have no significant exposure to interest rate, credit or liquidity risks.

3. Due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation earns interest on a quarterly basis, calculated on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for 2017 was .54% (2016 – .60%).

4. Budget

The 2016/17 budget was approved at the Annual General Meeting by the Board of Trustees on June 23, 2016.

5. Related Party Transactions

The Foundation is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan; Saskatchewan Crown agencies; non-Crown enterprises that the Government jointly controls or significantly influences; and trustees and their corporations over which they have significant control. The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Provincial Sales Tax to the Saskatchewan Ministry of Finance is included in the cost of the related purchases.

The Ministry of Central Services provides administrative services at no charge to the Foundation.

The following table summarizes the related party transactions for the year.

(in dollars)	2017	2016
Accounts receivable	-	750
Interest receivable	136	107
Interest revenue	540	436

6. Restricted Contributions

During 2016/17, the Foundation received $50,000 which has been recorded as restricted cash and as deferred contributions on the Statement of Financial Position. The Foundation does not maintain a separate bank account for restricted contributions.

In April of 2017, the campaign that the contribution was intended for was indefinitely put on hold resulting in the donor requesting their contribution back. This contribution will be returned in 2017/18.

7. Future Changes in Accounting Standards

A number of new standards and amendments to standards issued by PSAB are not yet effective and have not been applied in preparing these financial statements.

The Foundation plans to adopt the following new or amended standards on their effective date and is currently analyzing the impact these may have on the financial statements.

- Related Party Disclosures (effective April 1, 2017)
- Assets (effective April 1, 2017)
- Contingent Assets (effective April 1, 2017)
- Contractual Rights (effective April 1, 2017)
- Inter-Entity Transaction (effective April 1, 2017)

The Foundation has assessed that the following new or amended standards will have no effect on the financial statements.

- Restructuring Transactions (effective April 1, 2018)